GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:712
ANSWERED ON:22.11.2002
CO-OPERATIVE SUGAR MILLS IN MAHARASHTRA
RAGHUNATH JHA

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government are aware that 19 co-operative sugar mills in Maharashtra have been accused by the Central Excise Departments and the sugar commissioner`s office of selling sugar in the domestic market meant for export;

(b) if so, the action taken/proposed to be taken by the Government in this regard; and

(c) the remedial steps proposed to be taken by the Government to prevent such irregularity in the future?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a): The Chief Commissioner of Customs and Central Excise, Pune has informed on 8.11.2002 that 24 sugar mills of Maharashtra have delivered sugar for export under Bond and the proof of export had not been submitted or received by the Central Excise Department. The Ministry of Consumer Affairs, Food and PD has requested the Chief Commissioner, Central Excise and Customs to send a detailed report regarding this.

However, as per the information available in this Ministry, sugar meant for export is found to have been sold in the domestic market from 12 sugar mills in Maharashtra without permission of the Government.

(b): The Government has taken the following action against the defaulting exporters/sugar mills:-

(i) Letters have been issued to the office of Director General of Foreign Trade (DGFT)New Delhi, Mumbai and Gujarat for cancellation of the registration of the defaulting exporters.

(ii) No further release orders for export have been issued to the defaulting exporters/sugar mills.

(iii) The validity period of the export release orders had been reduced to 30 days from earlier 90 days.

(iv) The State Government of Maharashtra has initiated enquiry against the sugar mills whose sugar has been diverted in the local market under Maharashtra Cooperative Societies Act, 1960.

(c): In order to prevent recurrence of such irregularities, the Government has decided to send a copy of the export release order to the following authorities by registered post with a request to keep a watch on the exporters` performance and report any instance of default, aberration or violation of rules and instruction immediately to the Directorate of Sugar, if any such occasion arises.

1. Chief Commissioner of Central Excise of the State.

2. Office of the Commissionerate of Central Excise.

3. Customs Authority of the concerned Port.

4. District Collectors of the districts where the exporting firm and the concerned sugar mills are located.

5. Chief Secretary/Sugar Secretary of the State.

6. Commissioner/Director of Sugar of the State.

In addition, Letter of Credit (L/C) opened by the foreign buyer is being insisted on in the case of new exporters while processing their requests.